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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

Broadcom Corp., et al.,
_____ /

NO. C 08-05543 JW
NO. C 08-05544 JW
NO. C 08-05624 JW

Marvell Semiconductor, Inc., et al.,
_____ /

**ORDER GRANTING DEFENDANT’S
MOTIONS TO TRANSFER**

Apple, Inc.,

Plaintiffs,

v.

Wi-LAN, Inc.,

Defendant.
_____ /

I. INTRODUCTION

Broadcom Corporation, Atheros Communications, Inc., Marvell Semiconductor, Inc., Marvell Asia Pte., Ltd., and Apple, Inc. (“Plaintiffs”) bring three related declaratory judgment actions¹ against Wi-LAN, Inc. (“Defendant”), seeking a declaration of non-infringement, invalidity, and unenforceability of United States Patent No. 6,549,759 (the “759 Patent”) pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-02. Plaintiffs allege that Defendant purports to own

¹ Broadcom Corp. v. Wi-LAN, Inc., 08-cv-05543-JW (the “Broadcom Action”) (includes Atheros); Marvell Semiconductor, Inc. v. Wi-LAN, Inc., 08-cv-05544-JW (the “Marvell Action”); Acer Am. Corp. v. Wi-LAN, Inc., 08-cv-05642-JW (the “Apple Action”) (Apple, Inc. is the only Plaintiff remaining in the case).

1 the '759 Patent and has made statements and representations threatening to assert the '759 Patent
2 against Plaintiffs' products.²

3 Presently before the Court are Wi-LAN's Motions to Transfer Remaining Declaratory
4 Judgment Claims.³ The Court conducted a hearing on September 28, 2009. Based on the papers
5 submitted to date and oral argument, the Court GRANTS Defendant's Motions to Transfer these
6 actions to the Eastern District of Texas.

7 II. BACKGROUND

8 A. Factual Allegations

9 In a Complaint filed on December 10, 2008, Broadcom alleges⁴ as follows:

10 Defendant purports to own the rights to the '759 Patent. (Broadcom Complaint ¶ 8.)
11 Defendant has made statements and representations threatening to assert the '759 Patent
12 against Plaintiffs' products used or designed for use in products with wireless capability.
13 (Id.) Plaintiffs have not infringed and do not infringe, either directly or indirectly, any valid
14 and enforceable claim of the '759 Patent. (Id.) Furthermore, the '759 Patent is invalid and
15 unenforceable. (Id. ¶¶ 16, 20.) A substantial controversy exists between the parties which is
16 of sufficient immediacy and reality to warrant declaratory relief. (Id. ¶ 8.)

17 On the basis of the allegations outlined above, Plaintiffs allege three counts relating to the
18 non-infringement, invalidity, and unenforceability of the '759 Patent. Plaintiffs' claims pertain only
19 to the '759 Patent and no other patents.

21 ² (See Broadcom Action, Complaint for Declaratory Judgment ¶ 8, hereafter, "Broadcom
22 Complaint," Docket Item No. 1; Marvell Action, Complaint ¶ 11, hereafter, "Marvell Complaint,"
23 Docket Item No. 1; Apple Action, Complaint for Declaratory Judgment ¶ 10, hereafter, "Apple
24 Complaint," Docket Item No. 1.)

25 ³ (hereafter, "Motion," Docket Item No. 40.) Unless otherwise specified, all docket item
26 numbers refer to the Broadcom Action docket. Wi-LAN filed its Motion in the Marvell and Apple
27 Actions as well. (See Marvell Action, Docket Item No. 30; Apple Action, Docket Item No. 44.)

28 ⁴ The Marvell Complaint was filed on December 10, 2008. The Apple Complaint was filed
on December 17, 2008. Since the Marvell Complaint and Apple Complaint are substantively the
same as the Broadcom Complaint, the Court will refer to the Broadcom Complaint to describe
Plaintiffs' allegations.

1 **B. Procedural History**

2 **1. The California Actions**

3 Broadcom and Marvell filed their declaratory judgment actions on December 10, 2008.
4 Apple filed its declaratory judgment action on December 17, 2008 (jointly, the “Bluetooth
5 Actions”). Prior to these actions, Intel Corporation had filed a declaratory judgment action on
6 September 30, 2008 against Wi-LAN that included claims of non-infringement, invalidity, and
7 unenforceability of, *inter alia*, the ‘759 Patent. See Intel Corp. v. Wi-LAN, Inc., 08-cv-04555-JW
8 (the “Intel Action”). The Court related all of the declaratory judgment actions. (See Intel Action,
9 Docket Item Nos. 38, 39, 52.) On June 4, 2009, in the Intel Action, the Court granted Wi-LAN’s
10 motion to transfer claims regarding the ‘759 Patent to a pending action in Texas: Wi-LAN, Inc. v.
11 Acer, Inc., 07-CV-473 (E.D. Tex.) (the “Texas Action”).⁵

12 **2. The Texas Action**

13 Wi-LAN filed the Texas Action on October 31, 2007, asserting infringement of U.S. Patent
14 Nos. 5,282,222 (the “‘222 Patent”) and RE37,802 (the “‘802 Patent”) against Plaintiffs as well as
15 other parties. The Texas Action Complaint initially pertained only to products capable of practicing
16 Wi-Fi standards.⁶ On October 30, 2008, Wi-LAN filed its First Amended Complaint in the Texas
17 Action to add claims that certain Wi-Fi products enabled for Wi-MAX wireless communications
18 infringe the ‘222 and ‘802 Patents. (See id., Ex. 4 at 2-3.) On December 12, 2008, Wi-LAN filed a
19 motion for leave to file a Supplemental First Amended Complaint in the Texas Action to add claims
20 that Plaintiffs’ Wi-Fi products also infringed the ‘759 Patent. (See id., Ex. 4.) On February 3, 2009,
21 the court in the Texas Action granted Wi-LAN’s motion for leave. (See id., Ex. 5.)

22 Presently before the Court are Wi-LAN’s Motions to Transfer the above entitled actions to
23 the Eastern District of Texas.

24 ⁵ (See Intel Action, Order Denying Defendant’s Motion to Dismiss; Granting in Part and
25 Denying in Part Defendant’s Motion to Transfer, hereafter, “Intel Order,” Docket Item No. 195.)

26 ⁶ (See Declaration of Michael W. De Vries in Support of Plaintiffs’ Joint Opposition to
27 Defendant Wi-LAN, Inc.’s Motion to Transfer Remaining Declaratory Judgment Claims, Ex. 4 at 1,
hereafter, “De Vries Decl.,” Docket Item No. 48.)

1 **III. STANDARDS**

2 “For the convenience of parties and witnesses, in the interest of justice, a district court may
3 transfer any civil action to any other district or division where it might have been brought.” 28
4 U.S.C. § 1404(a); Micron Tech., Inc. v. Mosaid Techs., Inc., 518 F.3d 897, 904 (Fed. Cir. 2008).
5 “The general rule favors the forum of the first-filed action, whether or not it is a declaratory
6 judgment action.” Id. The “first-to-file” rule allows a district court to give preference to the
7 first-filed plaintiff’s choice of forum when a complaint involving similar parties and issues has been
8 filed in another district. Alltrade, Inc. v. Uniweld Prods., Inc., 946 F.2d 622, 625 (9th Cir. 1991);
9 Guthy-Renker Fitness, L.L.C. v. Icon Health & Fitness, Inc., 179 F.R.D. 264, 269 (C.D. Cal 1998).

10 Although the first-filed rule should not be disregarded lightly, it is left to the discretion of the
11 court whether to dispense of the rule on equitable grounds or convenience. Alltrade, Inc., 946 F.2d
12 at 628. If the rule applies to a suit, “the court in which the second suit was filed may transfer[,] stay
13 or dismiss the proceeding in order to allow the court in which the first suit was filed to decide
14 whether to try the case.” Stemcells, Inc. v. Neuralstem, Inc., No. C 08-2364 CW, 2008 WL
15 2622831, at *2 (N.D. Cal. July 1, 2008).

16 **IV. DISCUSSION**

17 **A. First-Filed Action**

18 Defendant moves to transfer the Bluetooth Actions to the Eastern District of Texas on the
19 ground that the Texas Action is first-filed as to the ‘759 Patent. (Motion at 3-4.) Plaintiffs contend
20 that the Texas Action is not first-filed as to the ‘759 Patent with regard to Bluetooth technology.⁷

21 Three threshold issues should be considered when deciding whether to apply the first-to-file
22 rule: (1) the chronology of the two actions; (2) the similarity of the parties; and (3) the similarity of
23 the issues. Guthy-Renker, 179 F.R.D. at 270 (citing Alltrade, Inc., 946 F.2d at 625). “In making
24 this determination, the court should employ the date on which the original, rather than the amended,

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26 ⁷ (Broadcom Corporation, Atheros Communications, Inc., Marvell Semiconductor, Inc.,
27 Marvell Asia Pte., Ltd., and Apple, Inc.’s Joint Opposition to Defendant Wi-LAN, Inc.’s Motion to
28 Transfer Remaining Declaratory Judgment Claims at 2, hereafter, “Opposition,” Docket Item No.
47.)

1 complaint was filed.” Guthy-Renker, 179 F.R.D. at 270. Factors weighing against application of
2 the first-to-file rule typically include bad faith, anticipatory suit, and forum shopping. See Alltrade,
3 Inc., 946 F.2d at 628. “A suit is anticipatory when the plaintiff filed upon receipt of specific,
4 concrete indications that a suit by defendant was imminent.”⁸ “[A]nticipatory suits are disfavored
5 because they are examples of forum shopping.” Z-Line, 218 F.R.D. at 665. However, a court
6 considering transfer should consider the anticipatory nature of the suit alongside other factors, such
7 as convenience to parties and witnesses. See Elecs. for Imaging, Inc. v. Coyle, 394 F.3d 1341,
8 1347-48 (Fed. Cir. 2005).

9 In this case, Judge Ward in the Eastern District of Texas has already found that the Texas
10 Action is first-filed with respect to the ‘759 Patent.⁹ The Court has previously concurred with Judge
11 Ward’s ruling. (See Intel Order at 9.) Although Judge Ward did not address Bluetooth in his
12 analysis of whether the Texas Action was first-filed as to the ‘759 Patent, the Court finds his
13 analysis fully applicable in the context of Bluetooth.¹⁰ Judge Ward noted that the technologies at
14 issue in his analysis—Wi-Fi and Wi-MAX—“while different, [were] related in such a way that
15 compels trying the patents together. Indeed the accused products include both [technologies], [t]he
16 parties are the same, and discovery will substantially overlap.” (De Vries Decl., Ex. 5 at 2.) Here,
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19 ⁸ Z-Line Designs, Inc. v. Bell’O Int’l, LLC, 218 F.R.D. 663, 665 (N.D. Cal. 2003); see
20 Inherent.com v. Martindale-Hubbell, 420 F. Supp. 2d 1093 (N.D. Cal. 2006) (finding anticipatory
21 suit where declaratory judgment plaintiff, with notice of an impending suit by the defendant, chose
22 to preemptively file a declaratory suit in its home district); c.f. Guthy-Renker, 179 F.R.D. at 271
(letter informing plaintiff about possible patent infringements did not threaten litigation and thus
23 declaratory action filed was not anticipatory).

24 ⁹ (See Declaration of Michael G. McManus in Support of Wi-LAN, Inc.’s Motion to
25 Transfer Remaining Declaratory Judgment Claims, Ex. G, hereafter, “McManus Decl.,” Docket Item
26 No. 41.)

27 ¹⁰ Although Judge Ward’s analysis focused on Wi-MAX and Wi-Fi, he stated without
28 qualification: “Wi-LAN may supplement its complaint to add the ‘759 patent.” (McManus Decl.,
Ex. G. at 3.) Furthermore, Wi-LAN’s Motion for Leave in the Texas Action stated that Wi-LAN
intended to add infringement claims for the ‘759 Patent as to Bluetooth, and attached infringement
contentions for the ‘759 Patent as to Bluetooth. (See DeVries Decl., Ex. 4 at 3 n.2; McManus Decl.,
Ex. A.)

1 Plaintiffs and Defendant are parties to both actions.¹¹ Furthermore, both actions concern the same
 2 issues of non-infringement, invalidity, and unenforceability of the '759 Patent. (See, e.g., McManus
 3 Decl., Ex. C, Broadcom's Answer and Counterclaims in the Texas Action.) Finally, the '759 Patent
 4 is asserted against Bluetooth functionality in the same products originally at issue in the Texas
 5 Action (i.e., the Wi-Fi products).¹²

6 Even if the Court were to accept Plaintiffs' contention that the Texas Action was not first in
 7 time as to the '759 Patent with regard to Bluetooth, the Court finds that the declaratory judgment
 8 actions are anticipatory suits.¹³ Although the Broadcom, Marvell, and Apple Actions were filed
 9 before Wi-LAN was granted leave to add the '759 Patent in the Texas Action, they were filed within
 10 days of Wi-LAN informing counsel for other parties in the related declaratory judgment actions that
 11 Wi-LAN planned to seek leave to add the '759 Patent in the Texas Action.¹⁴ The Court is

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 13 ¹¹ Plaintiff Marvell Asia Pte., Ltd. is not a party to the Texas Action, but is, according to
 14 Defendant, a subsidiary of Texas Defendant Marvell Semiconductor, Inc. (Motion at 3 n.1.)

15 ¹² (De Vries Decl., Ex. 4 at 3 n.2; see McManus Decl., Ex. A, Wi-LAN's December 12,
 2008 Infringement Contentions Regarding the '759 Patent in the Texas Action.)

16 ¹³ The facts of Z-Line are instructive. There, the defendant sent the plaintiff a cease and
 17 desist letter alleging that two of the plaintiff's products infringed the defendant's copyrights and
 18 trade dress rights. Z-Line, 218 F.R.D. at 664. Over the course of discussions between the parties,
 19 the defendant twice permitted the plaintiff extra time to respond to the letter. Id. As the deadline to
 20 respond approached, the defendant advised the plaintiff that the defendant was prepared to file suit if
 21 the parties could not reach a settlement. Id. The plaintiff then filed a declaratory judgment suit one
 day before the agreed upon extended deadline to respond to the letter (the plaintiff claimed it filed
 on the day of the deadline). Id. The court held that the declaratory judgment action was anticipatory
 because the plaintiff filed suit during the extension of time to respond that plaintiff had agreed to
 under the guise of promoting settlement. Id. at 666.

22 ¹⁴ On December 5, 2008, counsel for Defendant emailed counsel for Intel in the Texas
 23 Action to notify Intel's counsel that Defendant planned to seek leave to add the '759 Patent to the
 24 Texas Action. (McManus Decl. ¶ 12.) On December 9, 2008, counsel for Acer America Corp. and
 Gateway, Inc., former co-plaintiffs in the Apple Action, asked counsel for Defendant to delay filing
 its motion for leave in the Texas Action so that counsel for Acer and Gateway could confer with its
 clients and evaluate whether to consent to Wi-LAN's proposed motion to add the '759 Patent. (Id. ¶
 13.) Defendant's counsel obliged, promising to wait until December 12, 2008 before seeking leave.
 25 (Id. ¶ 14.) The next day, Broadcom (with Atheros) and Marvell filed their declaratory judgment
 26 actions. (Id. ¶ 15.) By letter that same day, counsel for Broadcom, Atheros, and Marvell informed
 Wi-LAN of the filing and stated that they were aware by at least December 9, 2009 that Wi-LAN
 27 intended to move for leave to add the '759 Patent. (Id., Ex. I.) Defendant then filed for leave to add
 the '759 Patent to the Texas Action on December 12, 2008. (Id. ¶ 17.) Apple filed its Declaratory

1 unpersuaded by Plaintiffs' contention that the declaratory judgment actions were "a proper response
 2 . . . to Wi-LAN's stated intent to assert [the '759 Patent] against Bluetooth" in the Texas Action.
 3 (See Opposition at 15.) Instead, it is clear that Plaintiffs filed upon receipt of specific, concrete
 4 indications that a suit by Defendant was imminent. See Z-Line Designs, 218 F.R.D. at 665.

5 Accordingly, the Court finds that the Texas Action was first-filed with respect to the '759
 6 Patent, including in the context of Bluetooth technology.

7 **B. Convenience and Judicial Economy**

8 Plaintiffs contend that convenience to the parties and witnesses weighs in favor of not
 9 transferring the Bluetooth Actions. (Opposition at 17-23.) Defendant contends that only the court in
 10 the first-filed action should perform a convenience analysis, and that judicial economy weighs in
 11 favor of transferring the Bluetooth Actions.¹⁵

12 In considering a motion to transfer, a court should analyze the "convenience of parties and
 13 witnesses." 28 U.S.C. § 1404(a); see Micron, 518 F.3d at 904-05. This analysis, however, "should
 14 be performed by the first-filed court." Girafa.com, Inc. v. Alexa Internet, Inc., No. C-08-02745
 15 RMW, 2008 WL 4500858, at *8 (N.D. Cal. Oct. 6, 2008).

16 Here, since the Court has found that the Texas Action was first-filed with respect to the '759
 17 Patent, the Eastern District of Texas is the appropriate court to consider the convenience factors.¹⁶
 18 However, the Court does find that judicial economy would be best served by transferring the case to
 19 the first-filed forum because discovery in the Texas Action as to the '759 Patent and the accused
 20 products is underway. (See McManus Decl. ¶¶ 6-9, Exs. D, E, F.) Allowing parallel discovery to
 21 proceed in the Bluetooth Actions here would result in substantial duplicative discovery.

22
 23 _____
 24 Judgment Action a few days later, on December 17, 2008. (See Apple Complaint.)

25 ¹⁵ (Wi-LAN's Reply in Support of its Motion to Transfer Remaining Declaratory Judgment
 Claims at 4-5, hereafter, "Reply," Docket Item No. 59.)

26 ¹⁶ The Court notes that even if it accepts Plaintiffs' contention that many of the parties and
 27 witnesses are located in California, keeping the Bluetooth Actions in this district will not prevent the
 parties from being subjected to the same discovery already underway in the Texas Action.

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

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Dated: October 15, 2009

Richard W. Wieking, Clerk

By: /s/ JW Chambers
Elizabeth Garcia
Courtroom Deputy